

**Families Helping Families
of Greater Baton Rouge, Inc.
Baton Rouge, Louisiana
June 30, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

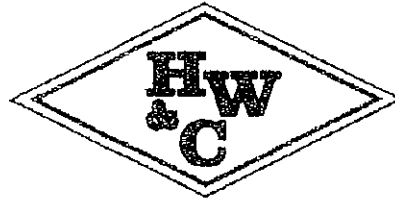
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Table of Contents

Independent Auditor's Report	Page	3
Financial Statements		
Statements of Financial Position	Page	4
Statements of Activities	Page	5
Statements of Functional Expenses	Page	6
Statements of Cash Flows	Page	7
Notes to Financial Statements	Page	8
Supplementary Information		
Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	Page	12
Schedule of Findings and Questioned Costs	Page	14
Schedule of Prior Year Findings and Questioned Costs	Page	15

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CERTIFIED PUBLIC ACCOUNTANTS

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September 23, 2009

Independent Auditor's Report

Board of Directors
Families Helping Families of Greater Baton Rouge, Inc.
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of

Families Helping Families of Greater Baton Rouge, Inc.
(A Non-Profit Corporation)
Baton Rouge, Louisiana

as of June 30, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families Helping Families of Greater Baton Rouge, Inc. as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2009, on our consideration of Families Helping Families of Greater Baton Rouge, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Yours truly,

Hawthorn, Waymouth & Carroll, L.L.P.

Families Helping Families of Greater Baton Rouge, Inc.
Statements of Financial Position
June 30, 2009 and 2008

A s s e t s		<u>2009</u>	<u>2008</u>
Current Assets			
Cash and cash equivalents		\$282,592	\$233,060
Accounts receivable		51,826	70,068
Deposits		<u>1,353</u>	<u>1,353</u>
<u>Total current assets</u>		<u>335,771</u>	<u>304,481</u>
Property and Equipment			
Telephone equipment		4,198	4,198
Computer equipment		12,956	9,104
Equipment		14,330	14,330
Furniture and fixtures		13,106	10,106
Furniture and fixtures - CSHS		<u>500</u>	<u>500</u>
		45,090	38,238
Less accumulated depreciation		<u>21,526</u>	<u>14,367</u>
<u>Net property and equipment</u>		<u>23,564</u>	<u>23,871</u>
<u>Total assets</u>		<u>359,335</u>	<u>328,352</u>
L i a b i l i t i e s a n d N e t A s s e t s			
Current Liabilities			
Accounts payable		899	870
Accrued liabilities		<u>3,195</u>	
<u>Total current liabilities</u>		4,094	870
Net Assets			
Unrestricted		<u>355,241</u>	<u>327,482</u>
<u>Total liabilities and net assets</u>		<u>359,335</u>	<u>328,352</u>

The accompanying notes are an integral part of these statements.

Families Helping Families of Greater Baton Rouge, Inc.
 Statements of Activities
 Years Ended June 30, 2009 and 2008

<u>UNRESTRICTED</u>	<u>2009</u>	<u>2008</u>
Revenue		
Grants	\$34,252	\$38,411
Contracts	331,814	313,443
Miscellaneous	7,194	5,983
Interest	1,315	3,913
Fund raising	<u>70,217</u>	<u>25,614</u>
<u>Total revenue</u>	<u>444,792</u>	<u>387,364</u>
Expenses		
General and administrative	28,770	32,619
Program services	337,571	297,000
Fund raising	<u>50,692</u>	<u>21,127</u>
<u>Total expenses</u>	<u>417,033</u>	<u>350,746</u>
Change in Net Assets	27,759	36,618
Net Assets		
Beginning of year	<u>327,482</u>	<u>290,864</u>
End of year	<u>355,241</u>	<u>327,482</u>

The accompanying notes are an integral part of these statements.

Families Helping Families of Greater Baton Rouge, Inc.
Statements of Functional Expenses
Years Ended June 30, 2009 and 2008

	<u>June 30, 2009</u>				<u>June 30, 2008</u>			
	<u>General and Admin- istrative</u>	<u>Program Services</u>	<u>Fund- Raising</u>	<u>Total Expenses</u>	<u>General and Admin- istrative</u>	<u>Program Services</u>	<u>Fund- Raising</u>	<u>Total Expenses</u>
Accounting services			\$1,025	\$1,025				
Advertising					\$300			\$300
Audit fees	\$400	\$6,500		6,900	6,500			6,500
Conference and convention		2,980		2,980		\$65		65
Consulting	325	3,353		3,678	1,050	3,035		4,085
Contract labor		120		120				
Depreciation	7,159			7,159	6,212			6,212
Dues and subscriptions		118		118	38	234		272
Education and training expenses	33	1,159		1,192		1,250		1,250
Equipment rental		390		390		853		853
Family forum						14,632		14,632
Family leadership academy		3,730		3,730		5,784		5,784
Insurance - general		3,148		3,148		5,640		5,640
Insurance worker's compensation		1,639		1,639		1,962		1,962
Interest		17		17				
Lending library		1,017		1,017		851		851
Miscellaneous expenses	1,027	2,696	1,062	4,785	724	180	\$1,510	2,414
Office supplies	1,000	7,377	70	8,447		5,649	257	5,906
Payroll expenses	9,491	215,555	8,905	233,951	5,796	175,118	3,440	184,354
Payroll taxes	768	18,763	904	20,435	417	15,125	341	15,883
Postage and shipping	2,259	4,054		6,313	744	3,455		4,199
Printing and publications	90	11,431		11,521	2,138	7,021		9,159
Rent	1,855	16,500	37,138	55,493	2,366	16,500	14,854	33,720
Repairs and maintenance	80	952		1,032	1,010	2,130		3,140
Stipend	2,606	2,942		5,548	530	10,021		10,551
Supplies	1,175	12,357	1,588	15,120	873	9,364	725	10,962
Telecommunications		8,128		8,128	1,294	5,935		7,229
Travel and lodging	502	7,101		7,603	300	6,514		6,814
Utilities		5,544		5,544	24	5,682		5,706
Loss on fixed asset disposition					2,303			2,303
Total expenses	28,770	337,571	50,692	417,033	32,619	297,000	21,127	350,746

The accompanying notes are an integral part of these statements.

Families Helping Families of Greater Baton Rouge, Inc.
 Statements of Cash Flows
 Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash Flows From Operating Activities		
Change in net assets	\$27,759	\$36,618
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	7,159	6,212
Loss on sale of equipment		2,303
(Increase) Decrease in accounts receivable	18,242	(26,126)
Increase (decrease) in operating liabilities		
Accounts payable	29	603
Accrued liabilities	<u>3,195</u>	<u>(4,851)</u>
<u>Net cash provided by operating activities</u>	<u>56,384</u>	<u>14,759</u>
Cash Flows From Investing Activities		
Purchase of equipment	(6,852)	(12,315)
Proceeds from sale of equipment	<u> </u>	<u>1,000</u>
<u>Net cash provided by (applied to) investing activities</u>	<u>(6,852)</u>	<u>(11,315)</u>
Net Increase in Cash	49,532	3,444
Cash, beginning of year	<u>233,060</u>	<u>229,616</u>
Cash, end of year	<u><u>282,592</u></u>	<u><u>233,060</u></u>
Supplemental Disclosures of Cash Flow Information		
Interest paid	<u><u>17</u></u>	<u><u>—</u></u>

The accompanying notes are an integral part of these statements.

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30 2009

Note 1-Summary of Significant Accounting Policies

A. Organization

Families Helping Families of Greater Baton Rouge, Inc. (FHFGBR) is a nonprofit corporation founded on January 10, 1998. The organization's mission is to provide individualized services, information, resources, and support needed to positively enhance the independence, productivity and integration of persons with disabilities in the Greater Baton Rouge area.

The Agency's funding resources include federal and state grants and contracts. The Agency offers a wide range of services:

State Department of Education (SDE) - Provides training, education and empowerment of families of children with disabilities through workshops, presentations and one on one support to develop an individualized education/transition plan to help students to learn in an inclusive environment to ensure full and valued membership in the community.

Early Childhood Supports and Services (ECSS) - Develop a local integrated comprehensive system of care for children up to 5 years of age and their families in East Baton Rouge Parish.

Children's Special Health Services (CSHS - Parent Liaison) - Provides information and referral, education, training and one on one support to families enrolled in Children's Special Health Services.

Community Outreach Specialist (COS) - Provides information and training about Early Steps, FHFGBR's and other community support and services for children birth to 3 years of age.

Louisiana Developmental Disabilities Council (DDC) - Provides administrative and related functions of Families Helping Families of Greater Baton Rouge.

Capital Area Human Services District (CAHSD/OCDD) - Provides information and referrals to persons with developmental disabilities and their families through workshops, presentations, peer to peer support and one on one support.

B. Basis of Accounting and Presentation

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all receivables, payables, and other liabilities.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Non-Profit Organizations". In applying SFAS No. 117, FHFGBR is not considered to be a health and welfare organization. Under SFAS No. 117, FHFGBR is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. FHFGBR has no temporarily or permanently restricted net assets.

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30 2009

Note 1-Summary of Significant Accounting Policies (Continued)

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, FHFGBR considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

E. Property and Equipment

Property and equipment is recorded at cost; or, if donated, at fair market value at date of donation. Depreciation is provided for on a straight-line basis in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives. Estimated useful lives range from 3 to 10 years.

Expenditures for major additions of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

F. Revenue and Support

Government grants, which are considered exchange transactions, are recognized as revenue when allowable costs are incurred to provide the services as provided for under the terms of the grant agreements. Advances under the grants are recorded as deferred income until such time as they are recognized as revenue.

G. Advertising Costs

Advertising costs are expensed as incurred. Total advertising expenses for 2008 were \$300. There were no advertising expenses in 2009.

II. Income Taxes

FHFGBR is exempt from income tax under IRC Section 501(c)(3) and is not classified as a private foundation.

Note 2-Lease Commitment

FHFGBR leases office space at 778 Chevelle Drive in Baton Rouge, Louisiana, under an operating lease expiring in 2010. Rental expense under this lease was \$18,000 for 2009 and 2008, respectively. The following is a schedule of the future minimum lease payments.

2010	\$18,000
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Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30 2009

Note 3-Contingencies - Grant Program

Families Helping Families of Greater Baton Rouge, Inc. participates in federal and state grant programs, which are governed by various rules and regulations. Costs charged to the grant programs are subject to audit and adjustment by the grantor agency; therefore, to the extent that FHFGBR has not complied with the rules and regulations governing the grants, refunds of any money received and the collectibility of any related receivable at year end may be impaired. The Louisiana Department of Health and Human Services is currently performing an audit of its contracts and no report has been issued as of the date of the audit report. No provision has been recorded in the accompanying financial statements for such contingencies. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and FHFGBR.

Note 4-Economic Dependency

FHFGBR receives revenue through grants and contracts administered by the State of Louisiana. The grant and contract amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds received by FHFGBR could be reduced significantly by an amount that could adversely impact its operations. Management is not aware of any actions that will adversely effect the amount of grants the organization will receive in the next fiscal year.

Note 5-Board of Directors Compensation

The Board of Directors is a voluntary board; therefore, no compensation or per diem has been paid to any Director.

Supplemental Information

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

J. CHARLES PARKER, C.P.A.
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CERTIFIED PUBLIC ACCOUNTANTS

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September 23, 2009

**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Board of Directors
Families Helping Families of Greater Baton Rouge, Inc.
Baton Rouge, Louisiana

We have audited the financial statements of Families Helping Families of Greater Baton Rouge, Inc. (FHFGBR), as of and for the year ended June 30 2009, and have issued our report thereon dated September 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the FHFGBR's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the FHFGBR's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, the Louisiana Legislative Auditor, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513 this report is distributed by the Legislative Auditor as a public document.

Yours truly,

Hawthorne, Waymouth & Carroll, L.L.P.

Families Helping Families of Greater Baton Rouge, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30 2009

Findings - Financial Statement Audit

None.

Families Helping Families of Greater Baton Rouge, Inc.
Schedule of Prior Year Audit Findings and Questioned Costs
Year Ended June 30 2009

Findings - Financial Statement Audit

2008-01 Lack of Segregation of Duties

Condition and Criteria

There is a lack of segregation of duties for the custodial, operational and accounting functions.

Effect

There is a lack of internal controls over the accounting functions.

Cause

Segregation of duties is difficult due to the Organization's small size.

Auditor's Recommendation

Separate individuals should be responsible for custodial, authorization and record keeping functions.

Management's Response

We concur with the recommendation and also agree that a proper segregation of duties is difficult given the small staff size of the Organization. However, the Organization feels that it does have some compensating controls in place that help mitigate the potential for errors or intentional acts to go undetected:

- (1) The Board of Directors adopts an annual budget for revenues and expenses. Significant variations, if any, between budget and actual are reviewed.
- (2) Current financial statements are reviewed monthly at each Executive Committee meeting or Board of Directors meeting.
- (3) The majority of invoices approved for payment are signed off on by the board treasurer.
- (4) The majority of checks issued to vendors and employees are signed by the board treasurer.
- (5) All checks in excess of \$1,000 require two signatures.
- (6) All payrolls and related checks or direct deposit transactions are approved by the board treasurer.

In addition, the Organization has initiated the following procedures which will allow, even with the small staff, some separation of duties:

- (1) Receptionist receives and date stamps all mail. In the event that a check is received in the mail, the check is stamped with "for deposit only", payer's information to include name, address, phone number, check date and amount of payment is recorded on a spreadsheet and emailed to the executive director.
- (2) The physical check is copied and then given to a designated staff member to complete the deposit ticket, make a copy of both the deposit ticket and check and make the deposit.
- (3) The deposit is then given to the executive director.

Resolution

This finding was resolved in the current year.